



**CITY OF MOLALLA
PLANNING COMMISSION MEETING
AGENDA**

Council Chambers | Molalla Civic Center - 315 Kennel Avenue – Molalla, OR
Wednesday | April 2, 2025 | 6:30 PM

NOTICE: Planning Commission will hold this meeting in-person and through video Live-Streaming on the City's Facebook Page and YouTube Channel. Written comments may be delivered to City Hall or emailed to communityplanner@cityofmolalla.com. Submissions must be received by 12:00 p.m. the day of the meeting.

Commission Chair Doug Eaglebear
Commissioner Connie Sharp
Commissioner David Potts

Commission Vice-Chair Clint Ancell
Commissioner Martin Ornelas
Commissioner Brady Rickey

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1. CALL TO ORDER AND FLAG SALUTE

2. ROLL CALL

3. PRESENTATIONS, PROCLAMATIONS, CEREMONIES

4. CONSENT AGENDA

A. Planning Commission Meeting minutes – March 5, 2025

5. PUBLIC COMMENT & WRITTEN COMMUNICATIONS

Citizens are allowed up to 3 minutes to present information relevant to the city but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the support staff. The Planning Commission does not generally engage in dialog with those making comments but may refer the issue to the Community Development Director. Complaints shall first be addressed at the department level prior to addressing the Planning Commission.

6. PUBLIC HEARINGS

7. GENERAL BUSINESS

A. Farm Stands/Cottage Kitchens in Molalla (Mac)

8. STAFF COMMUNICATION

9. COMMISSION COMMUNICATION

10. ADJOURN

Agenda posted at City Hall, Library, and the City Website at <http://www.cityofmolalla.com/meetings>. This meeting location is wheelchair accessible. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the Community Development Office at 503-759-0243.



City of Molalla
Planning Commission - Regular Meeting Minutes
March 05, 2025
Molalla Civic Center | 315 Kennel Ave. | Molalla, OR

CALL TO ORDER

The Molalla Planning Commission Meeting of March 05, 2025 was called to order by Chairman Doug Eaglebear at 6:30 pm.

COMMISSIONER ATTENDANCE

Present: Commission Chair Doug Eaglebear, Commissioner Connie Sharp, Commissioner Clint Ancell, Commissioner Martin Ornelas, Commissioner David Potts, Commissioner Brady Rickey.

Absent: None.

STAFF IN ATTENDANCE

Present: Assistant City Manager, Mac Corthell, Community Development Technician, Jessica Wirth, Senior Engineer, Sam Miller, Senior Planner, Dan Zinder and Associate Planner, Jamie Viveiros.

Absent: Engineer, Landon Sheekard.

CONSENT AGENDA

- A. Planning Commission Meeting Minutes – February 5, 2025

ACTION:

Commissioner Ancell moved to approve the Consent Agenda for February 5, 2025 Meeting Minutes; Commissioner Potts seconded.

AYES: Sharp, Ancell, Ornelas, Potts, Rickey, Eaglebear. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

PUBLIC HEARING

- A. SDR01-2024 – 721 W Main St - New 5,888 Office and Warehouse Building for Pool and Spa Covers Business. (Zinder)

The Commission Chair opened Public Hearing for SDR01-2024 at 6:39pm and asked Senior Planner Dan Zinder for Staff Report.

PUBLIC COMMENT

None.

Jeff Bolton, WestTech Engineering, who represents the applicant, presented their case. Mr. Bolton proposed the new development at 721 W Main St of a growing pool and spa covering business moving here to Molalla.

The Commission Chair closed Public Hearing for SDR01-2024 at 7:02pm.

ACTION:

Commissioner Ancell moved to approve the SDR01-2024; Commissioner Rickey seconded.

AYES: Ancell, Eaglebear, Potts, Sharp, Ornelas, Rickey. **Motion passed 6-0-0.**

NAYS: None.

ABSENTIONS: None.

GENERAL BUSINESS

- A. Housing Production Strategies *DISCUSSION* (3J Consulting/Zinder)

Senior Planner, Dan Zinder, gave his staff report and introduced the consultant on the project who joined via zoom.

Violet Brown, 3J Consulting, presented the Housing Production Strategies. Mrs. Brown emphasized the tasks that have already been completed and the public engagement that has been done with this project. The needs analysis shows that Molalla

will continue to grow by 2042 and will need 1,996 medium and high-density housing units and they need to be affordable. While housing is needed, disabilities, houselessness and poverty must be considered when deciding what type of structures can and should be built and sold for. Mrs. Brown stated it would be helpful for residents to make building smaller housing on their properties like cottage clusters and ADU's and reduce the barriers to make it easier. Mrs. Brown noted that the City has already done some of the work.

PUBLIC COMMENT

Mike Simmons, 30765 S Wall St., Colton, OR, - Spoke on Housing/Efficiency measures and wants to keep the industrial lands where they are and move residential further south. Mike added that he liked the Partnership Opportunities mentioned by the consultant Violet Brown, stating the city should look outside city limits for a Church property to build on.

GENERAL NEWS

A. Parkland Dedication or fee in lieu *DISCUSSION* (Viveiros/Zinder)

Associate Planner, Jamie Viveiros presented the Parkland Dedication or fee in lieu requirement, proposed for certain residential developments. The Parks Plan shows proposed parkland areas on mainly the west side of town (map included in presentation in these minutes). The parkland dedication requirement would be reduced by the 20% open space requirement for multifamily developments. Where a park land dedication does not meet certain size or is not feasible, a fee in lieu would be required. Molalla currently doesn't have a requirement for paying the fee in lieu. The ordinance would include this requirement.

STAFF COMMUNICATION

- **Assistant City Manager, Mac Corthell** noted the Waste Water Treatment plant is moving along, the dirt that got dug up was saved for future project use in the Master and Parks plans, at Clark Park. Chief Yelkus park low bid was awarded and will start phase 1 soon, Parks Master Plan is done, Storm Master Plan data has been collected and is pushing forward, the Urban Growth Boundary is ongoing.
- **Associate Planner, Jamie Viveiros** nothing to report.
- **Community Development Technician, Jessica Wirth**, nothing to report.
- **Senior Engineer, Sam Miller**, added we are out to bid for Lola's waterline and sewer replacement project (from 2nd to 5th street), bid opening March 19th.

COMMISSION COMMUNICATION

- **Commissioner Ancell** nothing to report.
- **Commissioner Rickey** nothing to report.
- **Commissioner Sharp** nothing to report.
- **Commissioner Ornelas** nothing to report.
- **Commissioner Potts** nothing to report.
- **Chair Eaglebear** Reminded everyone about the OGEC training requirement coming up on 3/12 at the civic center.

ADJOURNMENT

Chair Eaglebear adjourned the meeting at 8:27pm.

**PLANNING COMMISSION MEETINGS CAN BE VIEWED IN ITS ENTIRETY ON YOUTUBE
"MOLALLA PLANNING COMMISSION – MARCH 5, 2025"**

Doug Eaglebear, Planning Commission Chair

Date

Submitted by: _____
Jessica Wirth, Community Development Technician

Date

Attest:

Mac Corthell, Assistant City Manager

Date



**Housing Production Strategy
Planning Commission Work Session
March 5th, 6:30pm – 8:30pm**



Agenda



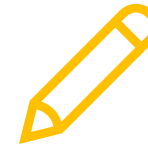
Project Overview



Housing Needs
Analysis Key
Findings



Results of Public
Engagement



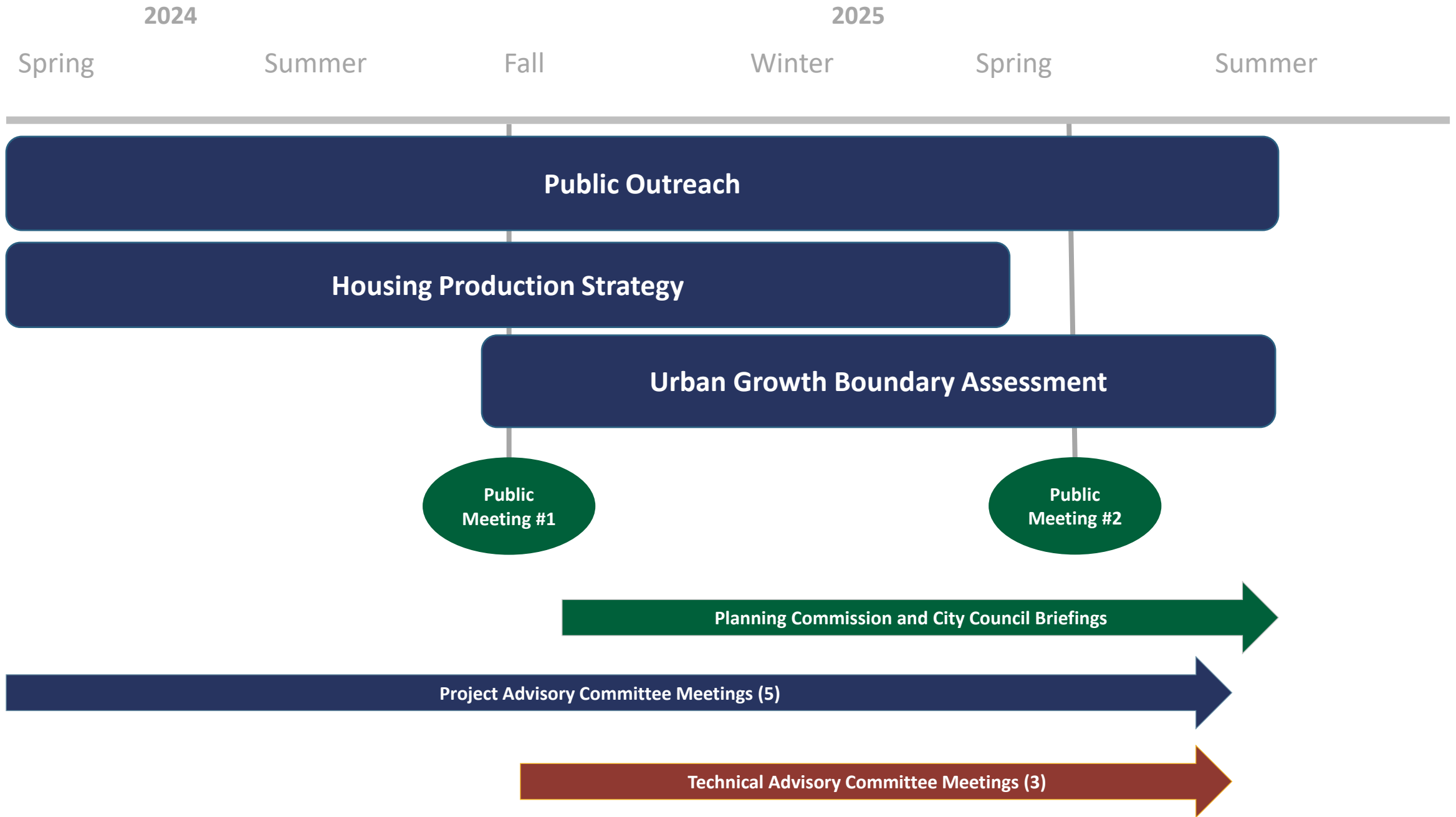
Draft Housing
Strategy



Next Steps

HPS Project Overview

- Key Project Documents
 - Housing Needs Analysis (2023)
 - Draft Housing Production Strategy
- Public Engagement
 - Public Advisory Committee (PAC) Summer & Fall 2024
 - Stakeholder Interviews Summer 2024
 - Public Meeting Fall 2024
 - Update PAC Spring 2025



Housing Needs

By 2042...

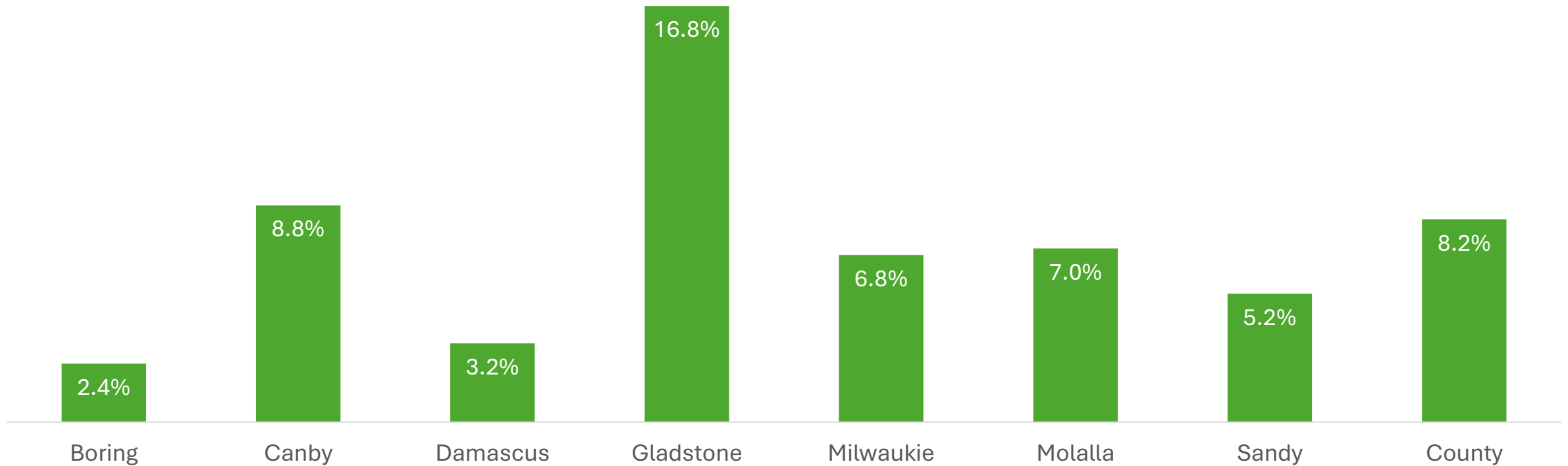
- Molalla's population is forecasted to be 15,660 (5,432 new people)
- Molalla will need 1,996 new housing units, especially medium & high-density housing units
- Units need to be affordable at all income brackets

Housing Need

- Affordable units, where costs are less than 30% of income, represent 76% of owner-occupied housing and only 54% of renter-occupied housing
- Point in Time counts list 410 people experiencing homelessness in 2023 across Clackamas County
- Population living with a disability represent 16% of Molalla's occupied housing, which impacts housing choice
- Homeownership rates are lower for some, but not most, minority communities in Molalla

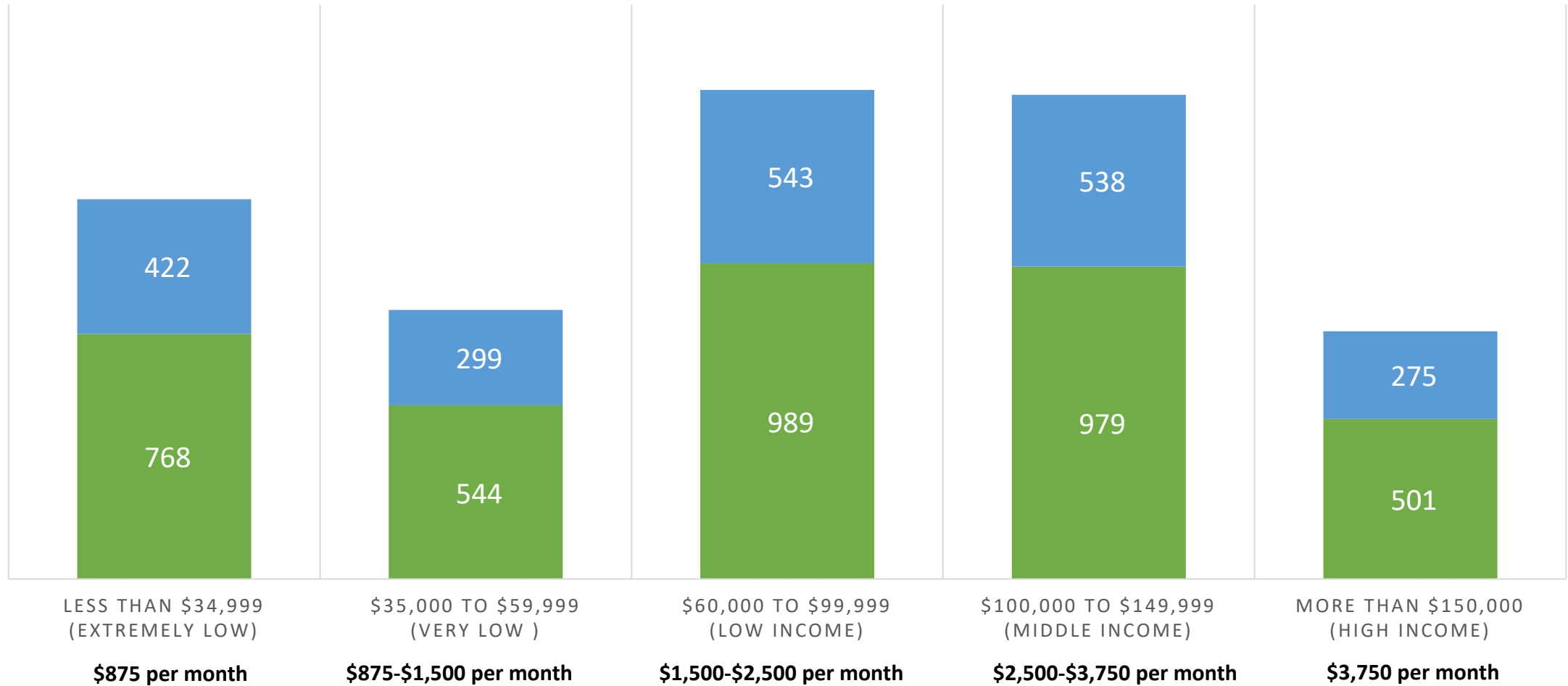
Poverty & Affordability

PERCENTAGE OF LOCAL POPULATION LIVING IN POVERTY



MOLALLA HOUSEHOLDS BY INCOME LEVEL

Existing New

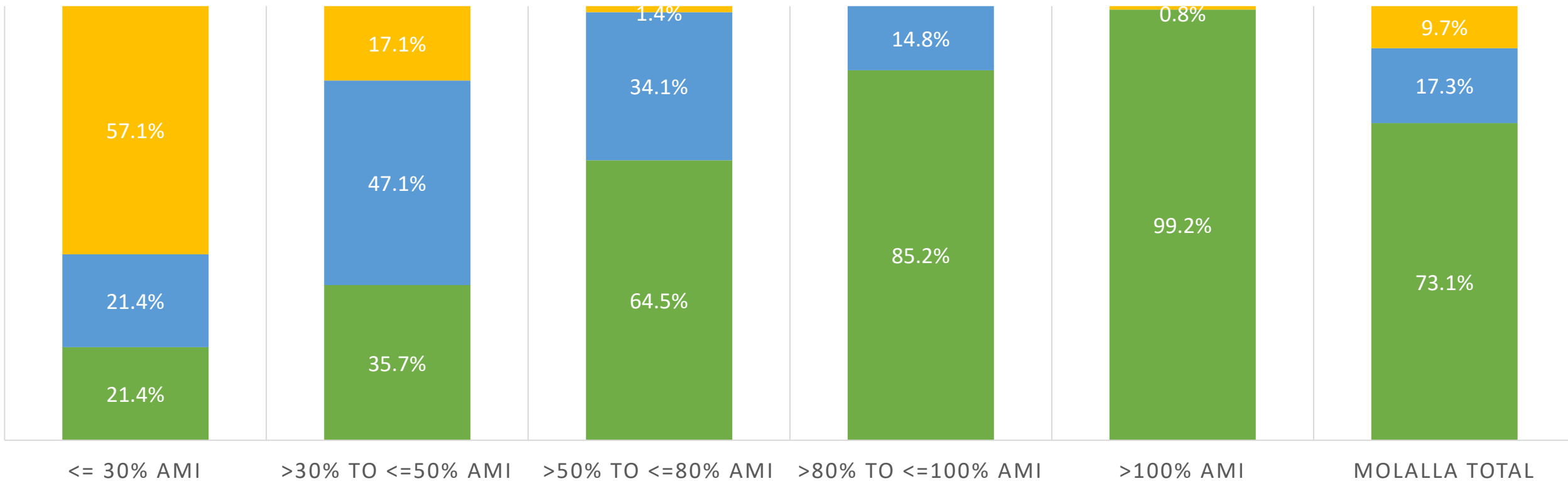


Poverty & Affordability

2023 Molalla AMI for a family of four:
\$114,400

COST BURDENED HOUSEHOLDS BY MFI/AMI

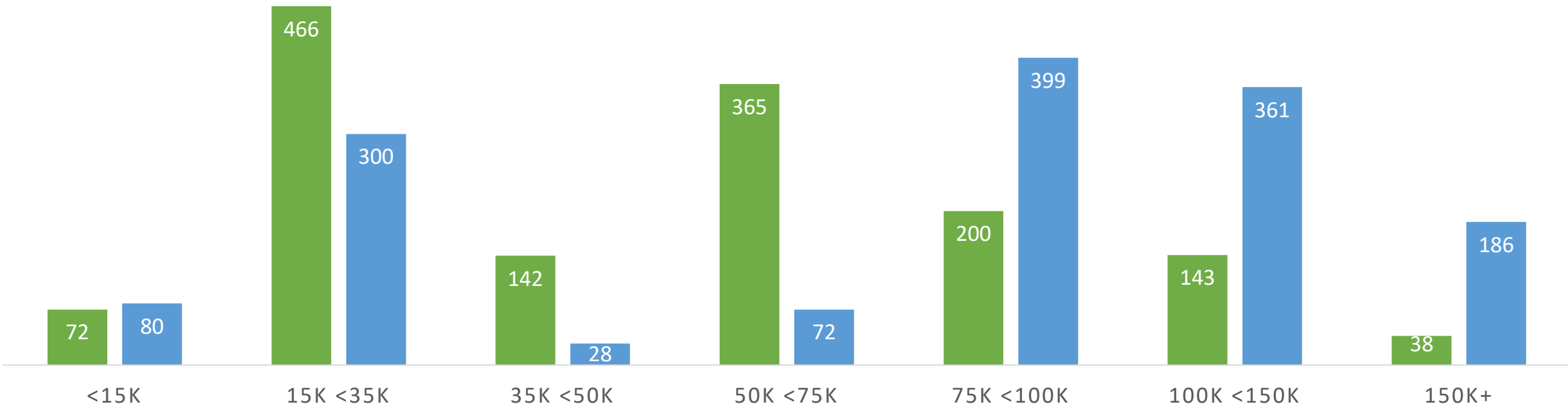
■ Affordable ■ Cost Burdened ■ Severely Cost Burdened



Poverty & Affordability

COMPARING RENTAL HOUSEHOLD INCOMES WITH OCCUPIED UNITS AFFORDABLE AT EACH INCOME LEVEL

■ Actual Households at Income Level ■ Estimated Occupied Housing Units Affordable at Income Level



Stakeholder Engagement



01

Producers of Market Rate & Affordable Housing:

Barriers

- State highway regulations and lack of infrastructure
- High System Development Charge (SDC) fees
- Long approval and permitting processes

02

Consumer Housing Advocates and Service Providers:

Needs

- Housing for seniors, people with disabilities, mental illnesses, and those experiencing homelessness.
- Lower income families, seniors, and individuals fleeing domestic violence need fast application process without long waitlist

Housing Production Strategies



Zoning & Code Change Options:

- Revisions for Accessory Dwelling Units (ADUs), Cottage Cluster Housing, and Small Dwelling Units
- Adjust Requirements for Ground-floor Retail/Commercial
- Regulate Short Term Rentals

What is already being done?

- ✓ Establish Minimum Density Standards
- ✓ Encourage Lower-Cost Housing Types
- ✓ Broaden the Definition of Housing Unit and Allow for Single Room Occupancy (SRO) in Residential Zones
- ✓ High Density Requirements for To-Be-Annexed Land
- ✓ Mixed Housing Types in Planned Unit Developments
- ✓ ADUs Permitted under Type 1

Housing Production Strategies

Options to Reduce Regulatory Impediments

- Address Impediments to Home Ownership
- Remove Impediments for Conversions/Duplex parking

What is already being done?

- ✓ Remove or Reduce Minimum Parking Requirements
- ✓ Reduce Regulatory Barriers to Lot Division
- ✓ Promote a Pro-Housing & Pro-Affordable Housing Agenda
- ✓ Align Bike Parking Requirements with actual usage
- ✓ Reduce the Power of NIMBY-ism to stop, slow, change, or reduce affordable housing





Housing Production Strategies

Options for Land, Acquisitions, Lease, and Partnerships

- Address Unmaintained “Zombie” Housing
- Land Owned by Faith-Based Organizations for Affordable Housing



Housing Production Strategies

Custom Options

- Modify SDC Fee Schedules To Be Directly Linked to Size
- Affordable Housing Options Library of Information
- Collaborate with Clackamas County on Homelessness and Eviction Prevention
- Provide Public Improvement Assistance to Housing Developers within the Urban Renewal Area

What is already being done?

- ✓ Reduce or Exempt SDC's for Needed Housing
- ✓ Sidewalk Infill and Improvement Grant

Housing Production Strategies

Options for Financial Resources

- Federal Low Income Housing Tax Credit (LIHTC) Program to offset cost of building affordable housing

Potential Future Considerations

- Federal HOME Program funding for rental and homebuyer assistance and construction



Housing Production Strategies

Potential Future Options for Tax Exemption Weighed Against Other Fiscal Concerns

- Property Tax Exemption for Affordable Housing Tied to Level of Affordability
- Delayed Tax Exemption Tied to Affordability





Implementation

	Evaluate	Pass Ordinance	Implement					
Policy	2025	2026	2027	2028	2029	2030	2031	2032
Code Revisions for ADUs	Yellow	Orange	Light Blue					
Reduce SDCs for ADUs		Yellow	Orange	Light Blue				
Develop Standards For Cottage Clusters		Yellow	Orange	Light Blue				
Small Dwelling Unit Defined		Yellow	Orange	Light Blue				
Modify Requirements for Ground Floor Commercial		Yellow	Orange	Light Blue				
Regulate Short Term Rentals			Yellow	Orange	Light Blue			
Address Impediments to Home Ownership			Yellow		Orange	Light Blue		
Remove Impediments to Duplex Parking	Yellow	Orange	Light Blue					
Federal Low Income Housing Tax Credit		Light Blue						
Land Owned By Faith Based Organizations				Light Blue				
Address Zombie Housing				Light Blue				
Urban Renewal Area Public Improvement Assistance	Light Blue							
Modify SDCs based on size					Yellow		Orange	Light Blue
Affordable Housing Options Library of Information		Light Blue						
Collaborate with Clackamas County			Yellow	Orange	Light Blue			

- Develop Standards for Cottage Cluster Housing
- Address Impediments to Home Ownership
- Link SDC Fee Schedules to Size
- Affordable Housing Options Library of Information

Key Public Engagement Results

Discussion

- HPS Public Engagement Process
- Draft HPS Policies

Project Next Steps



Refine Strategies based on
your feedback



Draft HPS presented to
Advisory Committee and
City Council



Urban Growth Boundary
Project kicks off with public
meeting in the April



Thank you!



PARKLAND DEDICATION OR FEE IN LIEU DISCUSSION

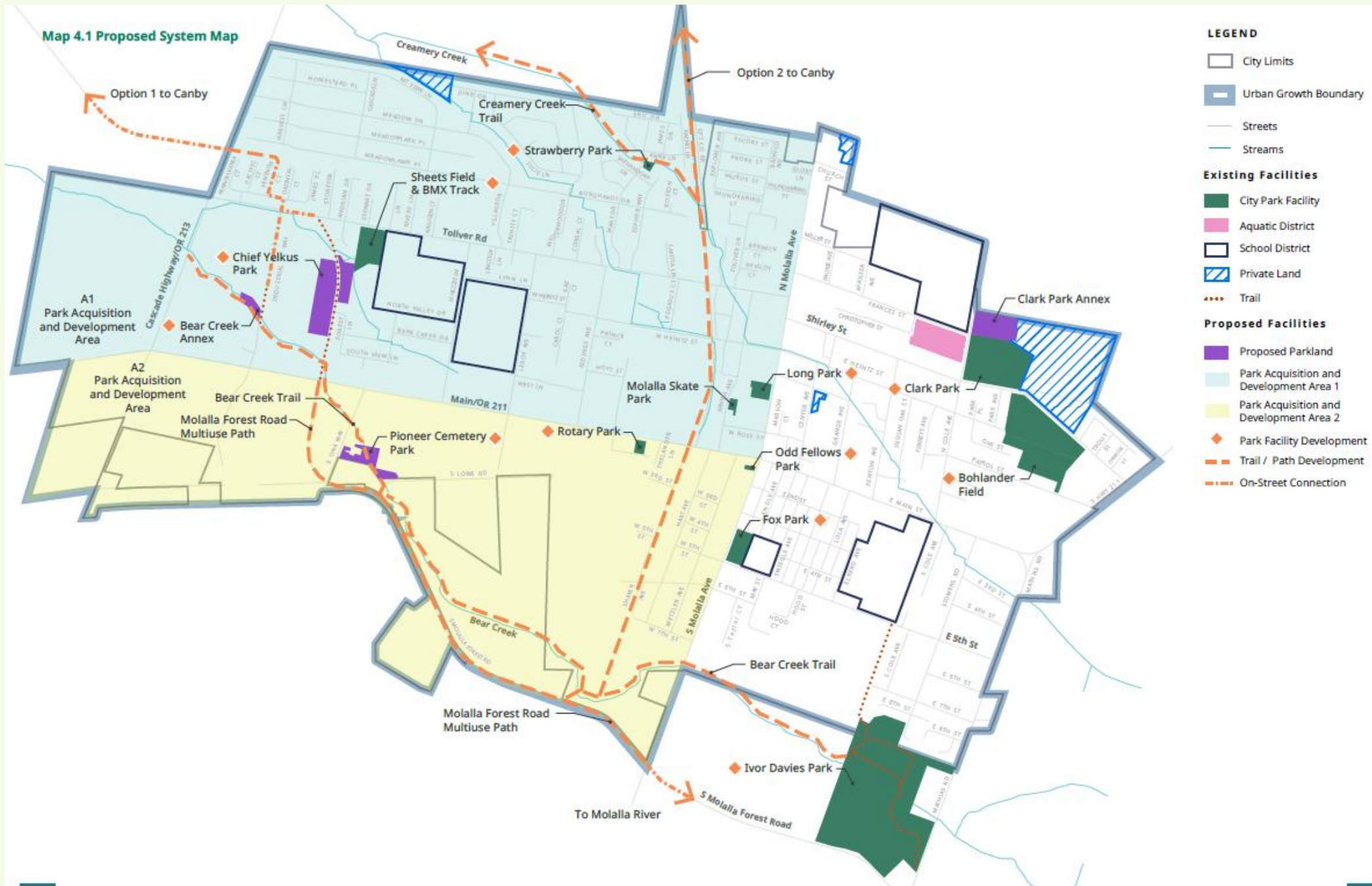
March 5, 2025 Planning Commission Meeting



Introduction

- The Parks, Recreation, and Trails System Plan was adopted by City Council on February 12, 2025
- Established a new standard in the City's Comprehensive Plan for providing 7 acres of park land per 1,000 residents
- Developers must meet this standard for new developments
- 2014 Molalla Comprehensive Plan Park and Recreation Policy 2.2
 - Developers shall be required to provide park space or a fee in lieu to ensure parks are available to citizens and/or funds for improvements of existing parks are available.

Map 4.1 Proposed System Map



Funding Strategies

- Park improvements have historically been funded by the General Fund (which relies on property tax revenue), and the Parks SDC fund
- In the Plan, the following strategies were identified as anticipated funding sources for parks system capital improvements and operation & maintenance
 - System Development Charges (SDCs) Update
 - Grants
 - General Obligation Bonds
 - Local Option Levy
 - User Fees
 - Land Dedication (today's focus)
- Reiterates Park and Recreation Policy 2.2 in the 2014 Molalla Comprehensive Plan





Land Dedication or Fee in Lieu

The Parks, Recreation, and Trails System Plan provides:

- The City should update its development policies to require developers to provide a specific amount of park land, or a fee in lieu of, to ensure parks and/or funds for park system improvements are available
- This funding method was broadly supported by the community during the public engagement process

MMC §17-3.6.030 Public Use Areas

- Dedication of Public Use Areas.
 - Where a proposed park, playground, or other public use shown in a plan adopted by the City is located in whole or in part in a subdivision, the City **may** require the dedication or reservation of this area on the final plat for the subdivision
- System Development Charge Credit.
 - Dedication of land to the City for public use areas, voluntary or otherwise, may be eligible as a credit toward any required system development charge for parks
- This section needs to be updated to reflect the new Plan policy to **require** developers to dedicate parkland or provide a fee in lieu





Parkland Dedication Requirements

- This will apply to the following types of new development:
 - Residential Land Divisions that could legally result in a future subdivision of 4 lots or more
 - Master Planned Developments
 - Multi-Family Developments
- Land will be required to be dedicated on the final plat. Where a development (such as multi-family) does not have a final plat, land shall be dedicated by recording a deed, easement or other appropriate document prior to building permit issuance

Calculation of Parkland Dedication

- The required parkland acreage to be dedicated shall be based on the following formula:

$$\text{Required parkland dedication (acres)} = (\text{Proposed \# of dwelling units}) \times (\text{Persons/dwelling unit}) \times 0.007 \text{ (Per person parkland dedication factor)}$$

- Persons/dwelling unit to be calculated at:
 - Single-family dwelling – 3.0 persons/dwelling unit
 - Duplex dwelling – 3.0 persons/dwelling unit
 - Multi-family – 2.0 persons/dwelling unit





Parkland Dedication Additional Requirements

- Developers will be required to clear, fill, and/or grade the dedicated parkland, install sidewalks on the parkland adjacent to any street, and seed the parkland prior to dedication
- For phased developments, the required parkland for the entire development shall be dedicated on the final plat for the first phase
- Dedicated parkland shall not be subject to any other easements or encumbrances

Fee in Lieu of Dedication

- There are instances where it may not be practical or suitable to dedicate parkland, so developers will be required to pay a fee in lieu of dedication
- Examples:
 - The development is in an area that is not designated as Proposed Parkland or within the Park Acquisition and Development Area on the Proposed System Map
 - When the amount of land to be dedicated is less than a suitable size for a park area
 - When substantial private common areas are req.
- Separate from park SDCs and is not eligible for a credit of park SDCs
- To be established by Resolution adopted by City Council
- Rates can be based on tax assessed value of land and be updated annually





Other Applicable Sections of Code to be Updated

MMC § 17-2.3.080 Multifamily Development.

- Requires a minimum of 15% of the site area to be designated as common area or open space

MMC § 17-4.8.060 Concept Plan Approval Criteria (Master Planned Developments).

- Requires a minimum of 20% open space, which may be public, private, or a combination of both
- We don't want to require developers to provide required open space and dedicate parkland, which may be a good instance for fee in lieu

QUESTIONS FOR DISCUSSION



1. Do you agree with the types of development to which this applies?
2. Are there any specific instances in which the City should allow a fee in lieu to be paid?
3. Is a fee in lieu based on the taxed assessment of land appropriate?
4. Who should determine if dedicated parkland is not suitable and a fee in lieu may be allowed instead (Staff, Planning Commission, City Council)?
5. Any other questions or comments?



CITY OF MOLALLA

117 N. Molalla Avenue
PO Box 248
Molalla, OR 97038

Staff Report

Agenda Category: General Business

April 2, 2025

From: Mac Corthell, Assistant City Manager
Approved by: Mac Corthell, Assistant City Manager

SUBJECT: Farmstands & Cottage Kitchens

FISCAL IMPACT: N/A

RECOMMENDATION/RECOMMEND MOTION: N/A

BACKGROUND: Staff is providing a presentation on Farmstands and Cottage Kitchens. The purpose of this presentation is to solicit the Planning Commission's input on modifying the Development Code to create a carve out legalizing Farmstand and Cottage Kitchen operations.

The City Council has directed staff to create appropriate carveouts that comport with state law. This presentation will familiarize the Commission with the current standards and state standards in order to aid the conversation and help identify mitigation strategies, where needed, to ensure the residential character of neighborhoods is not infringed.